

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



SW-03575A
Palo Verde Utilities Company
21410 N. 19th Ave., Ste. 201
Phoenix, AZ 85027

ANNUAL REPORT

FOR YEAR ENDING

12	31	2006
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FOR COMMISSION USE

ANN05	06
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Entered
4-17-09

COMPANY INFORMATION

Company Name (Business Name) <u>Palo Verde Utilities Company</u>			
Mailing Address <u>21410 N. 19th Ave</u>			
(Street)			
<u>Phoenix</u>	<u>Az</u>	<u>85027</u>	
(City)	(State)	(Zip)	
<u>623-580-9600</u>	<u>623-580-9659</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address <u>graham.symmonds@gwresources.com</u>			
Local Office Mailing Address <u>SAME</u>			
(Street)			
(City)		(State)	(Zip)
Local Office Telephone No. (Include Area Code)		Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address _____			

MANAGEMENT INFORMATION

Management Contact: <u>Graham Symmonds</u>		<u>SVP Operations & Compliance</u>	
(Name)		(Title)	
<u>21410 N. 19th Ave, Phoenix AZ 85027</u>			
(Street)		(City)	(State) (Zip)
<u>623-580-9600</u>	<u>623-580-9659</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address <u>graham.symmonds@gwresources.com</u>			
On Site Manager: <u>SAME</u>			
(Name)			
(Street)		(City)	(State) (Zip)
Telephone No. (Include Area Code)		Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address _____			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Andy Abraham, Burch & Cracchiolo PLC
(Name)

702 East Osborn, Suite 200 Phoenix, Arizona 85014
(Street) (City) (State) (Zip)

(602) 274-7611 (602) 234-0341
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: Tim Sabo, Roshka, deWulf, Patten
(Name)

400 East Van Buren, Suite 800 Phoenix, Arizona 85004
(Street) (City) (State) (Zip)

602-256-6100 602-256-6800
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|-----------------------------------|---|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input checked="" type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME: Palo Verde Utilities Company

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
351	Organization	-	-	-
352	Franchises	-	-	-
353	Land and Land Rights	186,009	-	186,009
354	Structures and Improvements	16,505,298	(1,266,001)	15,239,297
355	Power Generation Equipment	200,075	(28,816)	171,259
360	Collection Sewers – Force	3,795,714	(311,148)	3,484,566
361	Collection Sewers – Gravity	20,733,558	(729,627)	20,003,931
362	Special Collecting Structures	-	-	-
363	Services to Customers	1,667,222	(68,269)	1,598,953
364	Flow Measuring Devices	23,636	(3,279)	20,357
365	Flow Measuring Installations	-	-	-
370	Receiving Wells	104,852	(19,720)	85,132
371	Pumping Equipment	2,974,267	(369,145)	2,605,122
375	Reuse Transmission & Distribution	6,185,689	(210,797)	5,974,892
380	Treatment and Disposal Equip.	5,264,669	(545,323)	4,719,346
381	Plant Sewers	75,669	(14,361)	61,308
382	Outfall Sewer Lines	353,645	(54,688)	298,957
389	Other Plant and Misc. Equipment	280,627	(29,673)	250,954
390	Office Furniture and Equipment	138,078	(55,061)	83,017
391	Transportation Equipment	161,368	(47,799)	113,569
393	Tools, Shop and Garage Equip.	32,976	(1,388)	31,588
394	Laboratory Equipment	26,137	(3,805)	22,332
395	Power Operated Equipment	4,694	(117)	4,577
396	Communication Equipment	34,718	(9,404)	25,314
397	Miscellaneous Equipment	19,965	(998)	18,967
398	Other Tangible Plant	618,157	(61,086)	557,071
	TOTALS	59,387,023	(3,830,505)	55,556,518

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME: Palo Verde Utilities Company

CALCULATION OF DEPRECIATION EXPENSE

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
351	Organization			
352	Franchises			
353	Land and Land Rights	186,009	-	-
354	Structures and Improvements	16,505,298	3.33%	467,318
355	Power Generation Equipment	200,075	5.00%	10,017
360	Collection Sewers – Force	3,795,714	2.00%	60,071
361	Collection Sewers – Gravity	20,733,558	2.00%	328,041
362	Special Collecting Structures	-	-	-
363	Services to Customers	1,667,222	2.00%	24,698
364	Flow Measuring Devices	23,636	10.00%	2,283
365	Flow Measuring Installations	-	-	-
370	Receiving Wells	104,852	3.33%	3,285
371	Pumping Equipment	2,974,267	12.50%	302,630
375	Reuse Transmission & Distribution	6,185,689	2.50%	123,178
380	Treatment and Disposal Equip.	5,264,669	5.00%	249,558
381	Plant Sewers	75,669	5.00%	3,852
382	Outfall Sewer Lines	353,645	3.33%	11,535
389	Other Plant and Misc. Equipment	280,627	6.67%	17,940
390	Office Furniture and Equipment	138,078	6.67% or 20.00%	33,139
391	Transportation Equipment	161,368	20.00%	25,768
393	Tools, Shop and Garage Equip.	32,976	5.00%	996
394	Laboratory Equipment	26,137	10.00%	2,361
395	Power Operated Equipment	4,694	5.00%	117
396	Communication Equipment	34,718	10.00%	4,960
397	Miscellaneous Equipment	19,965	10.00%	998
398	Other Tangible Plant	618,157	10.00%	45,528
	Plus Depreciation on Non-Utility Assets	70,261	-	12,349
	Less: CIAC Amortization	-	-	-
	TOTALS	59,457,284	-	1,730,622

This amount goes on the Comparative Statement of Income and Expense Acct. 403

COMPANY NAME: Palo Verde Utilities Company

BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ -	\$ -
132	Special Deposits	92,732	95,576
135	Temporary Cash Investments		545
141	Customer Accounts Receivable	425,496	736,345
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments	26,498	7,258
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 544,726	\$839,723
	FIXED ASSETS		
101	Utility Plant in Service	\$ 41,584,987	\$ 59,387,023
103	Property Held for Future Use		
105	Construction Work in Progress	8,050,798	18,058,901
108	Accumulated Depreciation – Utility Plant	(2,123,171)	(3,831,123)
121	Non-Utility Property		70,261
122	Accumulated Depreciation – Non Utility		(18,164)
	TOTAL FIXED ASSETS	\$ 47,512,614	\$ 73,666,897
	TOTAL ASSETS	\$ 48,057,340	\$ 74,506,620

NOTE: Total Assets on this page should equal **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITES		
231	Accounts Payable	\$ 2,590,999	\$ 2,290,818
232	Notes Payable (Current Portion)	0	
234	Notes/Accounts Payable to Associated Companies	0	1,175
235	Customer Deposits	0	
236	Accrued Taxes	0	42,609
237	Accrued Interest	0	
241	Miscellaneous Current and Accrued Liabilities	1,295,601	2,562,731
	TOTAL CURRENT LIABILITIES	\$ 3,886,600	\$ 4,897,333
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
252	Advances in Aid of Construction	\$ 5,076,085	\$ 10,262,459
253	Other Deferred Credits		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 5,076,085	\$ 10,262,459
	TOTAL LIABILITIES	\$ 8,962,685	\$ 15,159,792
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 38,660,609	\$ 57,901,349
211	Other Paid in Capital		0
215	Retained Earnings	434,046	1,445,479
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 39,094,655	\$ 59,346,828
	TOTAL LIABILITIES AND CAPITAL	\$ 48,057,340	\$ 74,506,620

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
521	Flat Rate Revenues	\$ 2,694,696	\$ 4,426,614
522	Measured Revenues	37,607	99,493
536	Other Wastewater Revenues	256,319	253,777
	TOTAL REVENUES	\$ 2,988,622	\$ 4,779,884
	OPERATING EXPENSES		
701	Salaries and Wages	\$	\$
710	Purchased Wastewater Treatment		
711	Sludge Removal Expense		
715	Purchased Power	140,137	335,060
716	Fuel for Power Production	3,861	8,243
718	Chemicals	22,876	42,473
720	Materials and Supplies	40,889	42,263
731	Contractual Services – Professional	711,807	1,302,854
735	Contractual Services – Testing	29,337	41,919
736	Contractual Services – Other	72,899	75,866
742	Rental of Equipment	29,044	3,397
750	Transportation Expense		0
755	Insurance Expense	61,026	500
765	Regulatory Commission Expense	1,406	0
775	Miscellaneous Expense	135,645	91,099
403	Depreciation Expense	1,036,552	1,730,622
408	Taxes Other Than Income		910
408.11	Property Taxes	51,573	81,161
409	Income Taxes		0
	TOTAL OPERATING EXPENSES	\$ 2,337,051	\$ 3,756,367
	OPERATING INCOME/LOSS	\$ 651,571	\$ 1,023,517
	OTHER INCOME/EXPENSE		
414	Gain/(Loss) from Disposal of Utility Assets	\$ 0	\$ (14,925)
419	Interest and Dividend Income	\$ 1,290	\$ 2,843
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/EXPENSE	\$ 1,290	\$ (12,082)
	NET INCOME/(LOSS)	\$ 652,861	\$ 1,011,436

COMPANY NAME: PALO VERDE UTILITIES COMPANY

WASTEWATER COMPANY PLANT DESCRIPTION

TREATMENT FACILITY

TYPE OF TREATMENT (Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.)	1 x 3.0 MGD SBR Tertiary Treatment Facility 1 x 0.3 MGD Facultative Lagoon (not in use)
DESIGN CAPACITY OF PLANT (Gallons Per Day)	3.0 MGD Permitted Capacity = 9.0 MGD (per APP 105228)

LIFT STATION FACILITIES

Location	Quantity of Pumps	Horsepower per Pump	Capacity per Pump (GPM)	Wet Well Capacity (gal)
Rancho El Dorado L/S	3	20 HP	1000	23,095
Reclaimed Water Delivery System	3	50 HP	2100	93,223
Cobblestone Lift Station	2	18 HP	950	8,900
McDavid L/S	2	70 HP	650	8,900
Maricopa Groves L/S	2	40 HP	750	15,600
Alterra L/S	2	15 HP	800 (no head)	13,200
Tortosa L/S	2	5 HP	300 (no head)	10,300
PVWRF Influent L/S	2	100 HP	5,000	263,000

FORCE MAINS

Size	Material	Length (Feet)
6-inch	PVC	1,850
8-inch	PVC	520
10-inch	PVC	6,552
14-inch	PVC	2,406
Reclaimed Water Lines	8" C-900	5,957
	10" C-900	6,260
	12" C-900	130
	16" C-905	5,320
	18" C-905	21,410
	24" C-905	20,536
	24" C-900	9,770
	10" DIP	30
	16" DIP	710

	18" DIP	240
	24" DIP	2,115

MANHOLES

Type	Quantity
Standard	1,497
Drop	35
Discharge	1

CLEANOUTS

Quantity
48

COMPANY NAME: PALO VERDE UTILITIES COMPANY

WASTEWATER COMPANY PLANT DESCRIPTION (CONTINUED)

COLLECTION MAINS

SERVICES

Size (in inches)	Material	Length (in feet)
6	PVC	115
8	PVC	292,758
10	PVC	23,669
12	PVC	19,602
14	PVC	5,080
15	PVC	16,071
18	PVC	5,926
24	PVC	9,319
30	PVC	5,084
36	PVC	7,242
8	DIP	1,345
10	DIP	490
12	DIP	2,860
14	DIP	480
15	DIP	343
16	DIP	145
18	DIP	255
24	DIP	3,200
30	DIP	2,495
18	HDPE	2,480
24	HDPE	14,844
27	HDPE	1,679
30	HDPE	11,541
36	HDPE	180
42	HDPE	11,551
48	HDPE	4,474
18	RGR Concrete	140
24	RIB	100
30	RIB	4,260

[illegible]

FOR THE FOLLOWING FIVE ITEMS, LIST THE UTILITY OWNED ASSETS IN EACH CATEGORY

SOLIDS PROCESSING AND HANDLING FACILITIES	1 x 1.5 m Filter Belt Press
	1 x Conveyor System for Biosolids
	2 x 1/4-in Influent Trash Removal Auger
	1 x Grit Classifier
	1 x Conveyor for Grit/Trash

DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	Low Pressure High Intensity UV 1 x Chlorination System 1 x Dechlorination System
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	4 x 1.0 MGD sand filters (gravity, traveling bridge)
STRUCTURES (Buildings, Fences, Etc)	Office/Lab/Storage = 1500 sq ft SBR Blower Building = 1400 sq ft Headworks Building = 2800 sq ft Blower/Solids Handling = 2400 sq ft Masonry Walls (Filtration + Odor Control) = 600 ft Chain Link Fence: Lagoon = 2450 ft, SBR = 800 ft
OTHER (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.)	Odor Scrubbers: 1 x Lift Station; 2 x SBR Systems 1 x Polymer Injection System 1 x 1500 kW D/G 1 x 350 kVA D/G 1 x 80 kVA D/G 1 x 60 kW D/G HACH Portable Water Test Kit (DR2000) 5 x ½ Ton Pick-up Truck

COMPANY NAME: Palo Verde Utilities Company

WASTEWATER FLOWS

MONTH/YEAR (Most Recent 12 Months)	NUMBER OF SERVICES	TOTAL MONTHLY SEWAGE FLOW	SEWAGE FLOW ON PEAK DAY
January	9750	27,405,908	1,081,403
February	10034	25,124,236	1,046,292
March	10545	29,791,733	1,550,190
April	10758	29,754,483	1,160,523
May	10994	33,954,794	1,312,675
June	11144	31,743,701	1,382,526
July	11428	34,824,753	1,294,141
August	11619	46,143,811	1,866,190
September	11793	44,947,979	1,811,500
October	12257	45,718,341	1,775,777
November	12395	47,124,802	2,047,759
December	12553	51,443,967	1,945,000

Total: 447,978,508

PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE

Method of Effluent Disposal (Leach Field, Surface Water Discharge, Reuse, Injection Well, Groundwater Recharge, Evaporation Ponds, Etc)	Re-Use to Type 2 Reclaimed AzPDES
Wastewater Inventory Number (All wastewater systems are assigned an inventory number)	Facility ID 5048
Groundwater Permit Number	
ADEQ Aquifer Protection Permit	APP 105228 APP 103558
ADEQ Reuse Permit Number	R103558 R105393 R105394 R105395 R105392 R105228 R105869 R105870 R105871 R105873
EPA NPDES Permit Number (AzPDES)	AZ0025071

STATISTICAL INFORMATION

Total number of customers	<u>12,553</u>	
Total number of gallons treated	<u>447,978,508</u>	gallons

COMPANY NAME Palo Verde Utilities Company **YEAR ENDING 12/31/2006**

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported _____
Estimated or Actual Federal Tax Liability _____

State Taxable Income Reported _____
Estimated or Actual State Tax Liability _____

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

SIGNATURE

DATE

PRINTED NAME

TITLE

COMPANY NAME Palo Verde Utility Company YEAR ENDING 12/31/2006

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2006 was: \$ **67,725.60**

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

REF. NO.	INVOICE NO.	INVOICE DATE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN	NET CHECK AMOUNT
019389	954-32-01900	9/28/2006	39,543.57	39,543.57	0.00	39,543.57

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER - THE BACK CONTAINS AN ARTIFICIAL WATERMARK - HOLD AT AN ANGLE TO VIEW

Global Water-Palo Verde Utilities Co.
21410 N. 19th Avenue, Suite 201
Phoenix, AZ 85027
(623) 580-9600

WELLS FARGO BANK, N.A.
115 Hospital Drive
Van Wert, OH 45891

56-382/412

005552

DATE	CHECK NO.	AMOUNT
9/29/2006	005552	\$*****39,543.57

PAY Thirty-Nine Thousand Five Hundred Forty-Three and 57/100 ----- Dollars

TO THE Binal County Treasurer
ORDER P O Box 729
OF Florence, AZ 85232
United States

BORDER CONTAINS MICROPRINTING

⑈005552⑈ ⑈04⑈ 2038 24⑈ 960005623⑈

Global Water-Palo Verde Utilities Co.

005552

Vendor	PINCO3	Check Date	9/29/2006	Check Number	005552	
Ref Nbr	Inv Nbr	Inv Date	Invoice Amount	Amount Paid	Disc Taken	Net Check Amt
019389	954-32-01900	9/28/2006	39,543.57	39,543.57	0.00	39,543.57



Pinal County Treasurer

Choose a d

Treasurer's

Treasurer Search - Parcel Details

The Parcel Number shows the following information:

Parcel Number: 954-32-01900

Name: PALO VERDE UTILITY COMPANY (WASTEWATER D

Legal Information:

Attn: CINDY LILES/CFO-VP

TOTAL VALUE OF OPERATING PROPERTY

Address:

Address: 22601 N 19TH AVENUE, SUITE 210

City: PHOENIX

State: AZ

Zip: 85027

Last Updated: 04/02/2007

Year	1st ½ Billed 2nd ½ Billed	1st ½ Paid 2nd ½ Paid	1st ½ Int 2nd ½ Int	1st ½ Due 2nd ½ Due	Total Due
2004	\$9,114.31 \$9,114.31	\$9,114.31 \$9,114.31	\$0.00 \$0.00	\$0.00 \$0.00	\$0.00
	Value:	\$396,000.00			
2005	\$24,994.33 \$24,994.33	\$24,994.33 \$24,994.33	\$0.00 \$0.00	\$0.00 \$0.00	\$0.00
	Value:	\$1,081,000.00			
2006	\$39,543.57 \$39,543.57	\$39,543.57 \$39,543.57	\$0.00 \$0.00	\$0.00 \$0.00	\$0.00
	Value:	\$1,836,000.00			
TOTAL DUE:					\$0.00
TOTAL DUE:					\$0.00
TOTAL DUE:					\$0.00

Click on the current year above for a list of specific tax information for this parcel.

[New Search](#)

If you wish to print this page, please set your printer to "LandScape" for best results.

REF. NO.	INVOICE NO.	INVOICE DATE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN	NET CHECK AMOUNT
012346	954-32-01900	4/18/2006	24,994.33	24,994.33	0.00	24,994.33

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER - THE BACK CONTAINS AN ARTIFICIAL WATERMARK - HOLD AT AN ANGLE TO VIEW

Global Water-Palo Verde Utilities Co.
21410 N. 19th Avenue, Suite 201
Phoenix, AZ 85027
(623) 580-9600

WELLS FARGO BANK, N.A.
115 Hospital Drive
Van Wert, OH 45891

56-382/412

003339

DATE	CHECK NO.	AMOUNT
4/24/2006	003339	S*****24,994.33

PAY Twenty-Four Thousand Nine Hundred Ninety-Four and 33/100----- Dollars

TO THE Pinal County Treasurer
ORDER P O Box 729
OF Florence, AZ 85232
United States

BORDER CONTAINS MICROPRINTING

⑈003339⑈ ⑆041203824⑆9600056231⑈

Global Water-Palo Verde Utilities Co.

003339

Vendor PINCO3

Check Date 4/24/2006

Check Number 003339

Ref Nbr	Inv Nbr	Inv Date	Invoice Amount	Amount Paid	Disc Taken	Net Check Amt
012346	954-32-01900	4/18/2006	24,994.33	24,994.33	0.00	24,994.33



Pinal County Treasurer

Choose a d

Treasurer's

Treasurer Search - Parcel Details

The Parcel Number shows the following information:

Parcel Number: 954-32-01900

Name: PALO VERDE UTILITY COMPANY (WASTEWATER D

Legal Information:

Attn: CINDY LILES/CFO-VP

TOTAL VALUE OF OPERATING PROPERTY

Address:

Address: 22601 N 19TH AVENUE, SUITE 210

City: PHOENIX

State: AZ

Zip: 85027

Last Updated: 04/02/2007

Year	1st ½ Billed	1st ½ Paid	1st ½ Int	1st ½ Due	Total Due
	2nd ½ Billed	2nd ½ Paid	2nd ½ Int	2nd ½ Due	
2004	\$9,114.31	\$9,114.31	\$0.00	\$0.00	
	\$9,114.31	\$9,114.31	\$0.00	\$0.00	\$0.00
	Value:	\$396,000.00			
2005	\$24,994.33	\$24,994.33	\$0.00	\$0.00	
	\$24,994.33	\$24,994.33	\$0.00	\$0.00	\$0.00
	Value:	\$1,081,000.00			
2006	\$39,543.57	\$39,543.57	\$0.00	\$0.00	
	\$39,543.57	\$39,543.57	\$0.00	\$0.00	\$0.00
	Value:	\$1,836,000.00			
TOTAL DUE:					\$0.00
TOTAL DUE:					\$0.00
TOTAL DUE:					\$0.00

Click on the current year above for a list of specific tax information for this parcel.

[New Search](#)

If you wish to print this page, please set your printer to "LandScape" for best results.

REF. NO.	INVOICE NO.	INVOICE DATE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN	NET CHECK AMOUNT
012347	512-05-892c8	4/18/2006	122.54	122.54	0.00	122.54

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER - THE BACK CONTAINS AN ARTIFICIAL WATERMARK - HOLD AT AN ANGLE TO VIEW

Global Water-Palo Verde Utilities Co.
 21410 N. 19th Avenue, Suite 201
 Phoenix, AZ 85027
 (623) 580-9600

WELLS FARGO BANK, N.A.
 115 Hospital Drive
 Van Wert, OH 45891

56-382/412

003340

DATE	CHECK NO.	AMOUNT
4/24/2006	003340	\$*****122.54

PAY One Hundred Twenty-Two and 54/100 ----- Dollars

TO THE ORDER OF Pinal County Treasurer
 P O Box 729
 Florence, AZ 85232
 United States

BORDER CONTAINS MICROPRINTING

⑈003340⑈ ⑆041203824⑆9600056231⑈

Global Water-Palo Verde Utilities Co.

003340

Vendor	PINCO3	Check Date	4/24/2006	Check Number	003340	
Ref Nbr	Inv Nbr	Inv Date	Invoice Amount	Amount Paid	Disc Taken	Net Check Amt
012347	512-05-892c8	4/18/2006	122.54	122.54	0.00	122.54



Pinal County Treasurer

Choose a d

Treasurer's

Treasurer Search - Parcel Details

The Parcel Number shows the following information:

Parcel Number: 512-05-892C8

Name: PALO VERDE UTILITIES COMPANY LLC

Legal Information:

Attn:

TRACT H OF COBBLESTONE FARMS AS RECORDED IN CAB
D SLD 153 SEC 15-4S-3E .258 AC

Address:

Address: 21410 N 19TH AVE STE 201

City: PHOENIX

State: AZ

Zip: 85027

Last Updated: **04/02/2007**

Year	1st ½ Billed 2nd ½ Billed	1st ½ Paid 2nd ½ Paid	1st ½ Int 2nd ½ Int	1st ½ Due 2nd ½ Due	Total Due
2005	\$122.54 \$122.54	\$122.54 \$122.54	\$0.00 \$0.00	\$0.00 \$0.00	\$0.00
	Value:	\$12,000.00			
2006	\$150.00 \$150.00	\$150.00 \$150.00	\$0.00 \$0.00	\$0.00 \$0.00	\$0.00
	Value:	\$12,000.00			

TOTAL DUE: \$0.00
TOTAL DUE: \$0.00
TOTAL DUE: \$0.00

Click on the current year above for a list of specific tax information for this parcel.

[New Search](#)

If you wish to print this page, please set your printer to "LandScape" for best results.

REF. NO.	INVOICE NO.	INVOICE DATE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN	NET CHECK AMOUNT
019388	512-05-892C8	9/28/2006	150.00	150.00	0.00	150.00

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER - THE BACK CONTAINS AN ARTIFICIAL WATERMARK - HOLD AT AN ANGLE TO VIEW

Global Water-Palo Verde Utilities Co.
21410 N. 19th Avenue, Suite 201
Phoenix, AZ 85027
(623) 580-9600

WELLS FARGO BANK, N.A.
115 Hospital Drive
Van Wert, OH 45891

56-382/412

005551

DATE	CHECK NO.	AMOUNT
9/29/2006	005551	\$*****150.00

PAY TO THE ORDER OF One Hundred Fifty and 00/100

Dollars

TO THE ORDER OF Pinal County Treasurer
P.O. Box 729
Florence, AZ 85232
United States

BORDER CONTAINS MICROPRINTING

⑈005551⑈ ⑈041203824⑈9600056231⑈

Global Water-Palo Verde Utilities Co.

005551

Vendor PINCO3

Check Date 9/29/2006

Check Number 005551

Ref Nbr	Inv Nbr	Inv Date	Invoice Amount	Amount Paid	Disc Taken	Net Check Amt
019388	512-05-892C8	9/28/2006	150.00	150.00	0.00	150.00



Pinal County Treasurer

Choose a d

Treasurer's

Treasurer Search - Parcel Details

The Parcel Number shows the following information:

Parcel Number: 512-05-892C8

Name: PALO VERDE UTILITIES COMPANY LLC

Legal Information:

Attn:

TRACT H OF COBBLESTONE FARMS AS RECORDED IN CAB
D SLD 153 SEC 15-4S-3E .258 AC

Address:

Address: 21410 N 19TH AVE STE 201

City: PHOENIX

State: AZ

Zip: 85027

Last Updated: 04/02/2007

Year	1st ½ Billed 2nd ½ Billed	1st ½ Paid 2nd ½ Paid	1st ½ Int 2nd ½ Int	1st ½ Due 2nd ½ Due	Total Due
2005	\$122.54 \$122.54	\$122.54 \$122.54	\$0.00 \$0.00	\$0.00 \$0.00	\$0.00
	Value:	\$12,000.00			
2006	\$150.00 \$150.00	\$150.00 \$150.00	\$0.00 \$0.00	\$0.00 \$0.00	\$0.00
	Value:	\$12,000.00			

TOTAL DUE: \$0.00
TOTAL DUE: \$0.00
TOTAL DUE: \$0.00

Click on the current year above for a list of specific tax information for this parcel.

[New Search](#)

If you wish to print this page, please set your printer to "LandScape" for best results.

REF. NO.	INVOICE NO.	INVOICE DATE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN	NET CHECK AMOUNT
019492	510-48-008F6	9/28/2006	1,637.51	1,637.51	0.00	1,637.51

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER - THE BACK CONTAINS AN ARTIFICIAL WATERMARK - HOLD AT AN ANGLE TO VIEW

Global Water-Palo Verde Utilities Co.
21410 N. 19th Avenue, Suite 201
Phoenix, AZ 85027
(623) 580-9600

WELLS FARGO BANK, N.A.
115 Hospital Drive
Van Wert, OH 45891

56-382/412

005553

DATE	CHECK NO.	AMOUNT
9/29/2006	005553	\$*****1,637.51

PAY, One Thousand Six Hundred Thirty Seven and 51/100 ----- Dollars

TO THE Pinal County Treasurer
ORDER P. O. Box 729
OF Florence, AZ 85232
United States

BORDER CONTAINS MICROPRINTING

⑈005553⑈ ⑆041203824⑆9600056231⑈

Global Water-Palo Verde Utilities Co.

005553

Vendor	PINCO3	Check Date	9/29/2006	Check Number	005553		
Ref Nbr	Inv Nbr	Inv Date	Invoice Amount	Amount Paid	Disc Taken	Net Check Amt	
019492	510-48-008F6	9/28/2006	1,637.51	1,637.51	0.00	1,637.51	



Pinal County Treasurer

Choose a d

Treasurer's

Treasurer Search - Parcel Details

The Parcel Number shows the following information:

Parcel Number: 510-48-008F6

Name: GLOBAL WATER

Legal Information:

Attn:

BEG @ NE COR OF SEC 17-5S-3E TH S 1295' TH W 1015'
TH N1295' TH E 1015' TO POB 30.18 AC

Address:

Address: 21410 N 19TH AVE STE 201

City: PHOENIX

State: AZ

Zip: 85027

Last Updated: **04/02/2007**

Year	1st ½ Billed	1st ½ Paid	1st ½ Int	1st ½ Due	Total Due
	2nd ½ Billed	2nd ½ Paid	2nd ½ Int	2nd ½ Due	
<u>2006</u>	\$1,637.51	\$1,637.51	\$0.00	\$0.00	
	\$1,637.51	\$1,637.51	\$0.00	\$0.00	\$0.00

Value: \$120,720.00

TOTAL DUE: \$0.00
TOTAL DUE: \$0.00
TOTAL DUE: \$0.00

Click on the current year above for a list of specific tax information for this parcel.

New Search

If you wish to print this page, please set your printer to "LandScape" for best results.

020944	510-12-001E1	10/20/2006	1,277.65	1,277.65	0.00	1,277.65
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THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER - THE BACK CONTAINS AN ARTIFICIAL WATERMARK - HOLD AT AN ANGLE TO VIEW

Global Water-Palo Verde Utilities Co.
21410 N. 19th Avenue, Suite 201
Phoenix, AZ 85027
(623) 580-9600

WELLS FARGO BANK, N.A.
175 Hospital Drive
Van Wert, OH 45891

56-382/412

006093

DATE	CHECK NO	AMOUNT
10/27/2006	006093	\$*****1,277.65

PAY One Thousand Two Hundred Seventy-Seven and 65/100-----Dollars

TO THE ORDER OF Pinal County Treasurer
P O Box 729
Florence, AZ 85232
United States

BORDER CONTAINS MICROPRINTING

⑈006093⑈ ⑆041203824⑆9600056231⑈

Global Water-Palo Verde Utilities Co.

006093

Vendor	PINCO3	Check Date	10/27/2006	Check Number	006093	
Ref Nbr	Inv Nbr	Inv Date	Invoice Amount	Amount Paid	Disc Taken	Net Check Amt
020944	510-12-001E1	10/20/2006	1,277.65	1,277.65	0.00	1,277.65



Pinal County Treasurer

Choose a d
Treasurer's

Treasurer Search - Parcel Details

The Parcel Number shows the following information:

Parcel Number: 510-12-001E1

Name: PALO VERDE UTILITIES COMPANY LLC

Legal Information:

Attn:

THAT POR OF LAND DESC IN DEED 04-001049 IN THE NW
NW OFSEC 12-4S-3E 21.18 AC

Address:

Address: 21410 N 19TH AVE STE 201

City: PHOENIX

State: AZ

Zip: 85027

Last Updated: **04/02/2007**

Year	1st ½ Billed 2nd ½ Billed	1st ½ Paid 2nd ½ Paid	1st ½ Int 2nd ½ Int	1st ½ Due 2nd ½ Due	Total Due
2006	\$1,277.65 \$1,277.65	\$1,277.65 \$1,277.65	\$0.00 \$0.00	\$0.00 \$0.00	\$0.00

Value: \$84,720.00

TOTAL DUE: \$0.00
TOTAL DUE: \$0.00
TOTAL DUE: \$0.00

Click on the current year above for a list of specific tax information for this parcel.

[New Search](#)

If you wish to print this page, please set your printer to "LandScape" for best results.

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

VERIFICATION

STATE OF AZ
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	<u>MARICOPA</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>CINDY LILIS CIO/VP of ENG. & MGMT</u>
COMPANY NAME	<u>GLOBAL WATER - PALO VERDE UTILITIES COMPANY</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2006</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

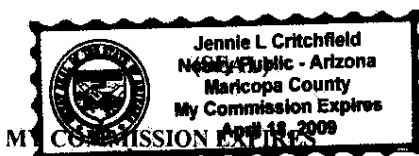
Cindy Lilis
SIGNATURE OF OWNER OR OFFICIAL
623-580-9600
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 16 DAY OF

COUNTY NAME	<u>Maricopa</u>
MONTH	<u>April</u> 20 <u>07</u>



4/19/09

Jennie Critchfield
SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Palo Verde Utilities Co, LLC YEAR ENDING 12/31/2006

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported

Tax return has been extended. This page will be amended and resubmitted when tax return has been filed.

Estimated or Actual Federal Tax Liability

State Taxable Income Reported

Tax return has been extended. This page will be amended and resubmitted when tax return has been filed.

Estimated or Actual State Tax Liability

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances

0

Amount of Gross-Up Tax Collected

0

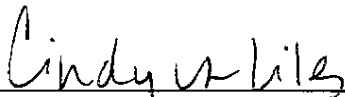
Total Grossed-Up Contributions/Advances

0

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

April 16, 2007

DATE

Cindy M. Liles

PRINTED NAME

SVP-CFO

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Pinal County Maricopa County
NAME (OWNER OR OFFICIAL) TITLE	Cindy Liles, SVP/CFO - Growth
COMPANY NAME	Global Water - Palo Verde Utility Company

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 3,121,785.20*

*Excludes unregulated revenue of \$1,658,098.80 and taxes
\$ 0

(THE AMOUNT IN BOX 1 ABOVE
INCLUDES \$ 0
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Cindy Liles
SIGNATURE OF OWNER OR OFFICIAL
623-580-9600
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

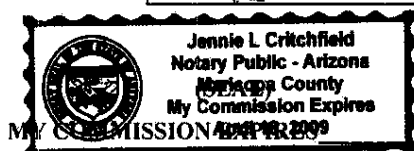
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

16th

DAY OF

COUNTY NAME	Maricopa
MONTH	April
	20 <u>07</u>



4/19/09

Jennie L. Critchfield
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

VERIFICATION

STATE OF AZ

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Pinal County</u> <u>Maricopa County</u>	
NAME (OWNER OR OFFICIAL) <u>Cindy Liles</u>	TITLE <u>CFO/SVP of Growth</u>
COMPANY NAME <u>Global Water-Palo Verde Utility Company</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 2,659,394.73**

(THE AMOUNT IN BOX AT LEFT

INCLUDES \$ 0
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

X

**Excludes unregulated revenue of \$1,658,098.80 and taxes \$0

Cindy Liles

SIGNATURE OF OWNER OR OFFICIAL

623-530-9600
TELEPHONE NUMBER

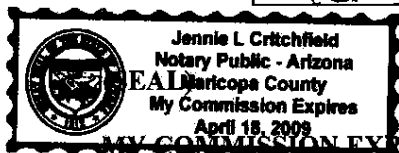
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

16th

DAY OF



MY COMMISSION EXPIRES

4/19/09

NOTARY PUBLIC NAME	<u>Jennie L. Critchfield</u>	
COUNTY NAME	<u>Maricopa</u>	
MONTH	<u>April</u>	<u>2007</u>

X

Jennie L. Critchfield

SIGNATURE OF NOTARY PUBLIC